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Ian Cottam
Manchester Business School

Peter Kawalek
The University of Manchester

Duncan Shaw
Manchester Business School

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A Local Government CRM Maturity Model: a component in the transformational change of UK councils

Ian Cottam

Manchester Business School

ian.cottam@mbs.ac.uk

Peter Kawalek

Manchester Business School

pkawalek@mbs.ac.uk

Duncan Shaw

Manchester Business School

d.shaw@mbs.ac.uk

ABSTRACT

A maturity model for use by UK local authorities in assessing their current position with respect to Customer Relationship Management (CRM) implementation is presented. The model has two paths through it and recognises a pre-CRM stage as well as a predicted, advanced stage. The model forms part of a larger set of tools and techniques that support transformational change within the public sector. Together with our sponsors at Salford City Council, the course-grained model has been broken down into its constituent parts and implemented as a software tool, which may be accessed and downloaded over the web. The work is part of the UK National CRM Programme, one of the many UK e-Government initiatives sponsored by the Office of the Deputy Prime Minister.

Keywords

CRM, Local government, maturity model.

INTRODUCTION

The authors – working with colleagues at Salford City Council – have developed a model for use by UK local authorities in assessing their current position with respect to Customer Relationship Management (CRM) maturity. The model has two paths through it and recognises a pre-CRM stage as well as a predicted, advanced stage. The model forms part of a larger set of tools and techniques that support transformational change within the public sector. Together with our sponsors at Salford City Council, the course-grained model has been broken down into its constituent parts and implemented as a tool (a software application program), which may be accessed and downloaded over the web. We describe both the original maturity model and also its fine-grained implementation, as embodied in the tool. The tool's use of a central, remote database has several advantages, one being that local authorities can (graphically) compare their own position with that of similar councils or the national average across all councils. The tool also provides pointers (hyperlinks) to sources of advice and guidance to aid councils in making their next step decision on the path to greater maturity. However, we deliberately stop short of providing prescriptive advice.

The paper first introduces the notion of Customer (or, in this case, Citizen) Relationship Management as applied within the local government family. Next, we discuss existing models that have influenced the one introduced here, and go on to give an overview and justification of the course-grained model. Its transformation into a fine-grained one and its delivery via a novel and attractive graphical tool – including its proof of concept trials – is presented next. We conclude with a description of the current state of the model/tool's promulgation and its possible future development.

The work is part of the UK National CRM Programme (www.crmnp.net), one of the many national e-Government initiatives sponsored by UK government (Office of the Deputy Prime Minister).

CUSTOMER RELATIONSHIP MANAGEMENT WITHIN THE LOCAL GOVERNMENT FAMILY

The idea of CRM presented here is distinctly public sector in its character. It is important to think about it separately to private sector CRM because, although there are many similarities, there are some fundamental differences. Typically, it costs a business more to attract a new customer than it does to make an existing customer buy more. This is why CRM has

emerged as a profit motivated initiative in the private sector. The more that a company knows about its customers, and the more that it can effectively manage its relationship with those customers, the greater the potential yield from each of these individual customers. In the public sector this profit initiative disappears and instead the drivers are responsiveness to need, efficiency, reputation of the government body, and overall community well-being. This creates a CRM of a distinctly different character, manifest in very different attitudes to the ownership of information.

- In the private sector, information is about profit and advantage for the company that holds it. Typically then, it will try to keep it to itself. Information goes in and stays in.
- In the public sector, information is about community well-being, and so there will be pressures to share it with individuals and communities, and to allow it to be passed to appropriate agencies such as the National Health Service (NHS). Information goes in, but may be returned with added value, or passed onwards to other appropriate agencies.

CRM MATURITY MODELLING

Here we review the area of maturity assessment within the context of CRM. By “maturity assessment” we mean ways of analysing where a council currently stands in fully implementing CRM and what that implies for future directions. It is analogous to the discipline of maturity modelling in other areas, e.g. software engineering (Royce 2002).

Best Value Performance Indicators

A central government driver for CRM work in local government is commonly called “best value” (more formally, in the context of Information and Communications’ Technology (ICT), BVPI 157, www.bvpi.gov.uk). In it, councils publish annual best value performance plans, and must review all of their services every five years. ICT is expected to be an integral part of such best value plans. When considering what can be delivered by electronic means, councils are required to use the following dimensional analysis:

- information (about a service)
- transaction (applying / ordering / paying / voting)
- supply (from support service/supplier/contractor etc.)
- delivery (to user / member of the public)

Related Maturity Models

Promoting Excellent Government

Promoting Excellent (previously: “Electronic”) Government (PEG, www.peg.org.uk) was originally a UK Government “Invest to Save” initiative. PEG describes service access and the processes of service delivery through nine critical success factors (CSF), as well as profile parameters and attributes.

- CSF1: Improving customer access
- CSF2: Using information in service delivery
- CSF3: Service processes
- CSF4: Joining up
- CSF5: Service choices
- CSF6: Business processes
- CSF7: Partnerships
- CSF8: Resources
- CSF9: Strategic procurement

The entry level is known as FastTrack. This uses the critical success factors and offers a quick way of developing a snapshot view of the council today and of identifying the main issues of a development agenda. The second stage – the well-defined and extremely detailed CSF Health Checks – uses attributes linked to the nine CSFs. The attributes are observable and a detailed understanding of gaps in plans or provision can be built up. The PEG self-assessment material is available to registered website users, subject to strict copyright conditions.

A Maturity Model for Customer-focused Government

A PricewaterhouseCoopers' report for the UK Public Services Productivity Panel on customer-focused government (Barker 2001) presents an interesting and detailed self-assessment model of customer-focused government, which, like PEG, is obviously related to public sector CRM as previously described.

The scale used is:

1. aware
2. developing
3. practising
4. optimising
5. leading

The model breaks down the four components of customer-focused government:

1. understand the customer
2. build operations around the customer
3. manage stakeholder relationships
4. use customer understanding to deliver target outcomes into several sub-components

They are presented in tabular form against the above five levels of organisational maturity. Components 1 and 3 have a single table, whereas 2 is composed of three tables (organisation and processes; performance management; and technology enablement) and likewise for component 4 (policy; service delivery; and implementing changes). Like all good maturity models, this one enables the three key activities of: self-assessment; target setting; and generating change advice.

The CRM Maturity Model

Background research

This research study was commissioned by the UK National CRM Programme to investigate the status of local government CRM implementation in the UK and to suggest methods to support it (Shaw, Kawalek, Batista and Cottam 2003). The study included interviews with 30 people in 15 different UK councils. Each of the councils had an established CRM programme and had been cited as a leader or example of good practice by the sponsors of the research. At the time of the study, the overwhelming majority of UK local councils had no formal CRM initiative, and all the studied councils were at different stages of CRM implementation.

A semi-structured question format allowed the respondents to describe their CRM initiative, to outline the process of its development and to set out its barriers and goals. Questions concerning the identity of CRM in the sector followed from this through open-ended questions at the end of the interviews. Without exception all respondents had a political interest in the CRM initiative they described. Nonetheless, they were invited to question CRM, its relevance and its conceptual clarity.

The research (Shaw et al. 2003) reports issues and barriers associated with CRM in the local government sector. This allows the formulation of a framework for their understanding, which was outlined in (Shaw et al. 2003), and led to the more detailed model – and in particular its implementation – presented here.

The model itself

Our maturity model segments councils according to their stage in implementing CRM; it contrasts service breadth cover with depth of front-back office integration, together with citizen access channel options and back office partner connection strength. The model contains four broad segments (1 through 4) and “pre and post” segments (0 and 5). Segment 0 being a pre-CRM state, and 5 is a continual re-invention state.

The maturity model's four main segments are broad classifications of current stage and future trajectory. They are based around two dimensions:

- the range of services accessible to citizens, and citizen businesses, via a CRM front office (characterised as narrow versus wide)

- the degree of integration that the council's CRM front office has with back office services

The segments are as follows (the major segments are in bold):

0: pre CRM enabled services

1: a narrow range of CRM enabled services and shallow back office service integration

2: a wide range of CRM enabled services and shallow back office service integration; or

3: a narrow range of CRM enabled services and deep back office service integration

4: a wide range of CRM enabled services and deep back office service integration

5: continual re-invention / optimisation

(Clearly, 2 and 3 are alternatives.)

Figure 1, below, shows that even though all councils are different they all have the task of:

- *easing* citizen access via easier and more efficient communications channels
- *widening* the number of services that use CRM
- *deepening* the integration between front offices and service back offices to increase efficiency and capability
- *deepening* integration with external partners to increase efficiency and joined up working

Figure 2, below, shows the main four segments that differentiate between the various states typical councils are in:

1. the council has started implementing CRM
2. the council has several one-stop-shops that cater for most or all services but have no real integration back into the council's systems – partly mature in some services
3. the council has successfully integrated one or more services from front to back office and is gradually adding more services to this proven solution – mature in some services
4. the council has implemented CRM in all services and integrated the front office systems into the service back office systems – fully mature

The supplementary segmentation involves connections outside the council:

- A. the council has implemented a few (on a path to many) simple access channels, like telephone, face to face and a simple website
- B. the council is weakly (on a path to strongly) connected to partners, such as the NHS and other councils, with little networked data sharing and few shared business processes

Table 1, below, presents in some detail what councils in each of the four main segments should be considering and where they may need support in progressing to a greater level of CRM maturity.

Triggers and Trajectories

A council will always start in the bottom-right segment and, if this fits with the council's strategic aims, it will end in the segment at the top-left. However, the actual trajectory that the council takes will also depend upon the strategic aims of the council. Any particular council will follow the trajectory that is most appropriate for its own needs and which it finds the easiest and most practical to implement. For example, if a council receives a bad citizen satisfaction result in a Best Value Review, for a particular set of services, it may choose to implement a shared front office for these services. Additionally, this council may have just implemented a new IT system for all its services and so may wish to restrict the CRM implementation to a wide and shallow first stage. Another council may have a service head that has been impressed by a CRM showcase in another council and has already decided to improve the information system in that service. This service head may then decide to start by implementing narrow and deep¹.

These two hypothetical councils will become wider if more services are added, and deeper if more services are integrated with a shared front office. The key point is that each council must choose its own trajectory to meet its strategic goals.

¹ For these specific and varied reasons we have avoided making our model/tool prescriptive.

We call the initial reason for a council making it a strategic need to move from segment zero to segment one the *trigger*. *Triggers* are the need for change and can come in many forms for example: a negative customer care survey result; a specific customer care problem; or pressure from elected representatives (known as “members” in the UK).

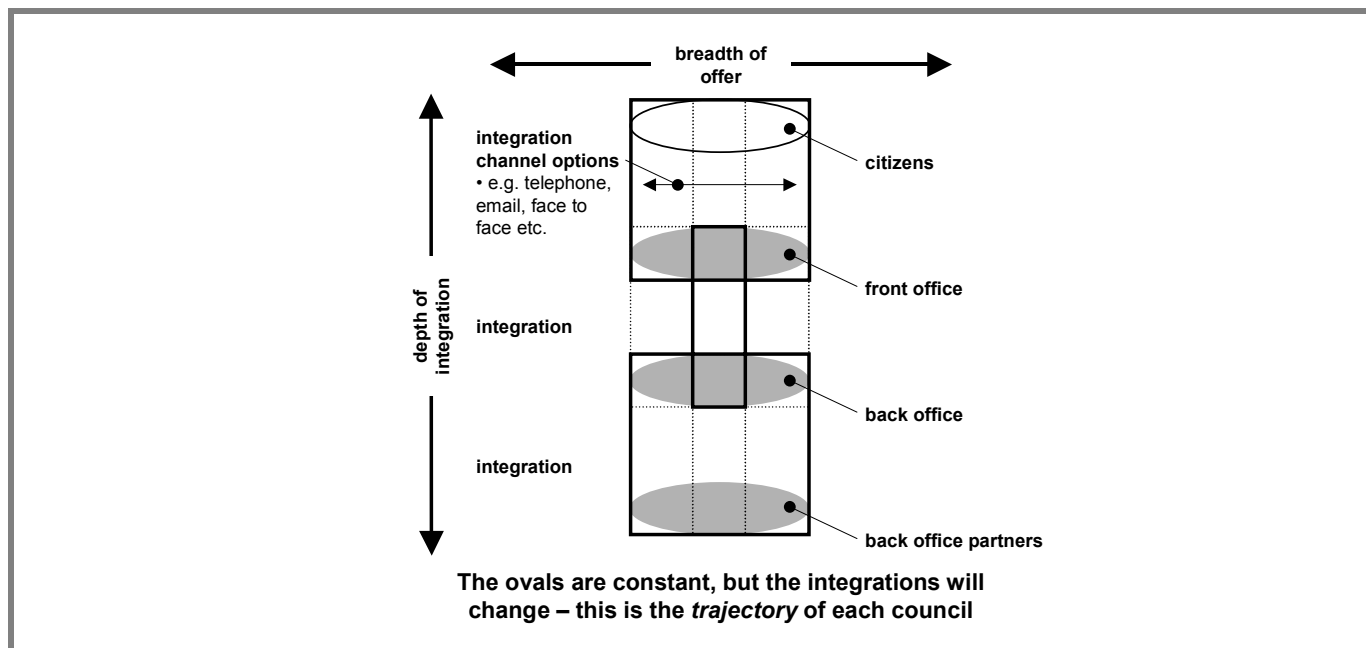


Figure 1. Widening the breadth of service, deepening the integration

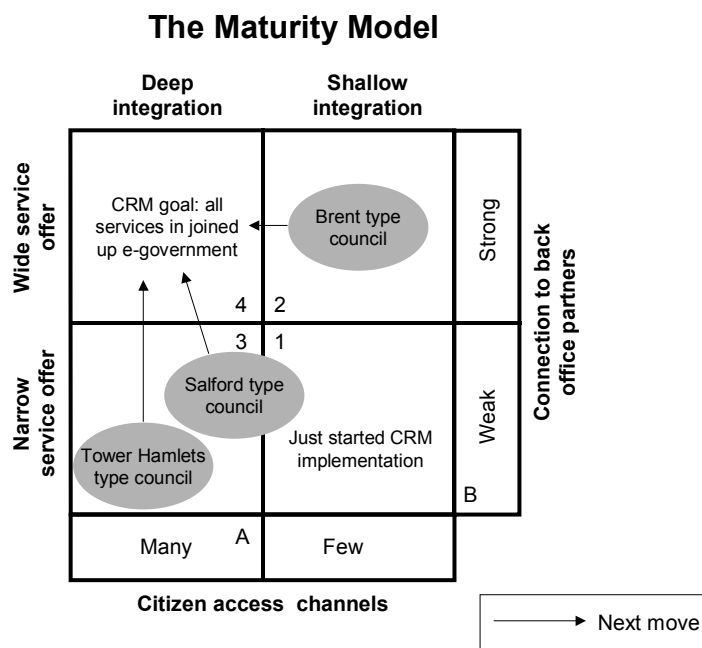


Figure 2. Main council segments: *maturity* in services and integration

	<i>Strategy</i>	<i>Citizen Service Outcomes</i>	<i>Project Management</i>	<i>Design</i>	<i>Change Management</i>
<i>Segment 1</i> “Shallow back office integration & Narrow service range”	Linking the value of CRM initiatives to the council’s aims and objectives	Specifying the technological and business process requirements of each service to be CRM enabled	Project plan to deliver the items to the left (including the building of capabilities through partnering with other councils / academics / consultants)	ICT and business process design (citizen to front office, front office to back office, council to partners)	Implementation of the items to the left, service by service . Need support in gaining the sponsorship and commitment of service directors and staff to accept enquires for their service through front office channels, as well as in getting agreement to integrate with the front office
<i>Segment 2</i> “Shallow back office integration & Wide service range”	Linking the value of CRM initiatives to the council’s aims and objectives for services signed up and needing back office integration	Specifying the technological and business process requirements of each service to be CRM enabled as relevant to back office	Continue designing the project plan (including the building of capabilities through partnering with other councils / academics / consultants)	Continue with ICT and business process design	Implementation of the items to the left, back office by back office , inside the council. Need support in gaining the sponsorship and commitment of service directors and staff in getting agreement to integrate with the front office
<i>Segment 3</i> “Deep back office integration & Narrow service range”	Linking the value of CRM initiatives to the council’s aims and objectives for services not yet signed up	Specifying the technological and business process requirements of each service to be CRM enabled – best practice standard	Continue designing the project plan (including the building of capabilities through partnering with other councils / academics / consultants) for services not yet signed up	Continue with ICT and business process design for services not yet signed up	Implementation of the items to the left, service by service . Need support in gaining the sponsorship and commitment of new service directors and staff to accept enquires for their service through front office channels, as well as support in getting new agreements to integrate with the front office
<i>Segment 4</i> “Deep back office integration & Wide service range”	Linking the value of CRM initiatives to the council’s aims and objectives – reassessment of the next level of performance				Implementation of the next level of CRM performance (“Business Intelligence”)

Table 1. The four main segments of CRM maturity against next step actions and support needed

THE TOOL

The above description of our model may be thought of as course-grained. In practice a fine-grained model is needed to place councils in the correct segment. Maturity is first broken down into a so-called five “S’s” categorization, that is:

- *Strategies*: Do the council have a Customer Care or Contact strategy? Is this linked with the council’s strategic aims and objectives?
- *Services*: Have the council identified Service access channels?
- *Structures*: Do the council have a dedicated Customer Service function?
- *Systems*: Do the council already have a CRM system/ infrastructure?
- *Supporters*: Do the council have the capability to implement the changes, demanded by their strategic aims, in the form of tools and techniques in such areas as Business Process Re-engineering, Project Management, ICT systems and Change Management?

Clearly, numerous questions are asked under each heading (but not shown here for space reasons). Already this breakdown gives us the ability to report status under five headings rather than just one. Some screen snapshots of the tools are given below. Figure 3 shows a typical question being asked, together with a slider response on the commonly used scale of “strongly disagree” through to “strongly agree”. Figure 4 shows how the results are presented against the five categories. In each case the council can compare their own position against all other councils who have submitted results to the central, remote database, and are also shown their position with respect to councils of their own type (e.g. metropolitan, district, etc.). Figure 5 gives an example of some of the advice and feedback provided for, in this case, a council in maturity segment one. The advice screens contain both mini-case studies of what other councils have done, as well as hyperlinks to actual sources of help, mainly other deliverables from the National CRM Programme. The example shown in Figure 5 points to information on what is needed in a strategic business case for CRM.



Figure 3. An example question from the tool’s Systems category

Scoring rules

The tool uses the following simple rules to determine what CRM maturity segment a council is in:

- first, a distribution is used that approximates the known state of CRM implementation within UK councils
- second, several specific questions are asked to differentiate between councils taking a trajectory from segment 2 to 4 and those going from 3 to 4

Validation of these rules was carried out in a proof of concept trial described in the following section.



Figure 4. The results comparison page (dummy data used)

PROOF OF CONCEPT

The proof of concept trial was organized, over some four months, by the programme support office of the National CRM Programme, based at the London Borough of Tower Hamlets. In our case, evaluation of the model and tool was mainly included with those councils (approximately a dozen) evaluating our more general deliverables on public sector change management and business process re-engineering². Early results were paper-based and influenced the final form that the computer-based tool took. Workshops were held as well as the usual contact support via email and telephone.

² Outside the scope of this paper.

Instructions given to the councils involved in the proof of concept trial were:

Tell us briefly about yourself:

1. *Are you personally currently engaged in CRM and e-government programmes?*
2. *What is your role?*
3. *What particular problems confront your local authority in its CRM and e-government programmes?*

Maturity Tool:

1. *Answer questions.*
2. *Compute and report your score.*
3. *Please comment on the strengths and weaknesses of the maturity self-help tool. Do you think it is comprehensive enough? Do you think it is too long / too short? What difficulties did you have in filling it in?*

Apart from minor problems with the tool itself, the maturity model was well received with no councils disagreeing with the results obtained. It appears that by presenting the results on a sliding scale, and over five categories, the psychological effect of receiving a single (low) maturity level score is avoided.

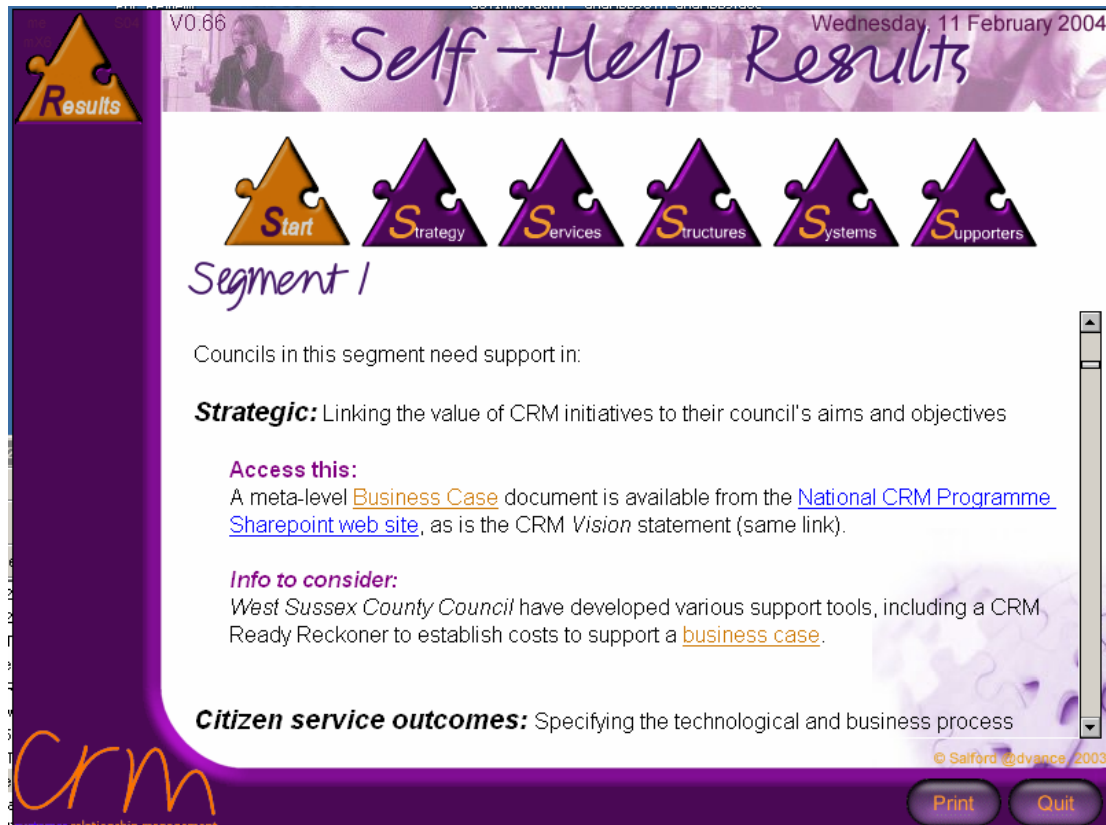


Figure 5. Several pages of advice with web links are given for the resulting maturity level

CONCLUSION

A model for UK local authority CRM maturity, together with a computer based tool implementing it, was developed, validated in a proof of concept trial, and is due to go live at the time of writing. By using a remote database the tool can show a council's results with respect to all those previously submitted, either for all types of council or just those of a similar size and standing. The model may be relevant outside of the UK, but this has not been tested, nor was it one of our national programme's goals.

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Mike Willetts of Salford City Council made numerous contributions and suggested the categorization used. Stuart Mayor and Carl Hodgkinson, also with Salford City Council, implemented the Maturity Self-help tool using Macromedia Authorware™. The work is part of the UK National CRM Programme, one of the many national e-Government initiatives sponsored by UK government (Office of the Deputy Prime Minister). The programme is led by the London Borough of Tower Hamlets.

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